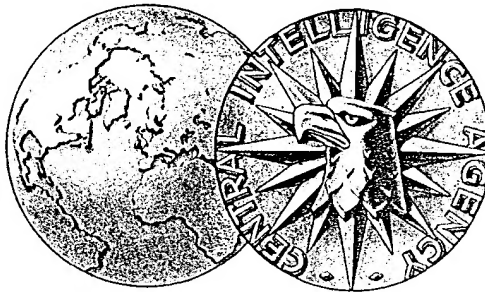


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COPY NO. 25  
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CIA HISTORICAL REVIEW PROGRAM  
RELEASE IN FULL  
MILITARY BUDGETS  
OF SELECTED COUNTRIES



ORE 59-49

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CENTRAL INTELLIGENCE AGENCY

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## MILITARY BUDGETS OF SELECTED COUNTRIES \*

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\* Note of caution: The ratio between military expenditures and total national government expenditures should not be used as a basis for comparison between one country's military expenditures and those of another. Division of governmental responsibilities between national authority and district or local authority varies widely from country to country and there are wide differences in the extent of government ownership, operation, and control of production facilities. Reflection of these differences in the relative size of national budgets renders comparisons between countries, made on the basis of such ratios, illogical and misleading.

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report. It is based on information available to CIA as of 20 June 1949.

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TABLE 1.  
ARGENTINA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of paper pesos)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of paper pesos)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	551.6	130.4	6.5		476.0	112.5	6.8	
Navy	240.6	56.9	2.9		283.4	67.0	4.1	
Air	184.7	43.7	2.2		206.3	48.8	2.9	
Other Military Expenditures <sup>4</sup>	309.8	73.2	3.7		540.0	127.6	7.7	
Total <sup>4</sup>	1,286.7	304.2	15.3		1,505.7	355.9	21.5	

<sup>1</sup> Conversion rate: 423 pesos=\$1 (Basic Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars) (excluding expenditures under Five-Year Plan)

Fiscal year beginning: 1 January 1949—\$1,991.1 million (budgeted)

Fiscal year beginning: 1 January 1948—\$1,655.0 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> For national defense. The Argentine definition of national defense includes non-military projects, such as construction of bridges and highways.

<sup>5</sup> Figures on national income for 1948 and 1949 are not available.

<sup>6</sup> The total amount available for military expenditures is not reflected in the above figures, because expenditures for national defense under the Five-Year Plan are kept secret by the government. Also, there is no indication that additional credits of 526.7 million pesos for military construction authorized in August 1948 have been incorporated in the budget. Both the army and navy engage in public works projects, and, wherever possible, these expenditures have been omitted. Expenditures for Federal Police and National Gendarmerie are not included.

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TABLE 2.  
AUSTRALIA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JULY 1948				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JULY 1947			
	Expenditures in Na- tional Currency Units (millions of £ A)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>1</sup> (millions of £ A)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	16.1	51.6	3.3		28.1	89.9	6.2	2.1
Navy	18.3	58.7	3.7		18.4	58.9	4.1	1.4
Air	15.7	50.2	3.2		18.4	58.9	4.1	1.4
Other Military Expenditures	10.4	33.3	2.1		6.7	21.4	1.4	.5
Total	60.5	193.8	12.3		71.6	229.1	15.8	5.4

<sup>1</sup> Conversion rate: Year beginning 1 July 1948, 1 Australian £=\$3.205 (Official Selling Rate)

Year beginning 1 July 1947, 1 Australian £=\$3.200 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 July 1948—\$1,579.4 million (budgeted)

Fiscal year beginning: 1 July 1947—\$1,447.9 million (actual)

<sup>3</sup> Actual.

<sup>4</sup> Not available.

<sup>5</sup> Based on national income of £ A1,598 million for fiscal year beginning 1 July 1947.

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TABLE 3.  
BELGIUM

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of Belgian francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of Belgian francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	7,059.1	160.6	9.8	2.8	4,094.6 <sup>4</sup>	93.1	5.8	1.7
Navy	85.0	1.9	0.1		117.0 <sup>4</sup>	2.5	0.2	
Air <sup>5</sup>								
Other Military								
Expenditures	1,240.9 <sup>6</sup>	28.2	1.8	.5	732.2 <sup>4</sup>	16.7	1.0	.03
Total	8,385.0	190.7	11.7	3.3	4,936.8	112.3	6.8	2.0

<sup>1</sup> Conversion rate: 43.96 Belgian francs=\$1. (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$1,635.0 million (budgeted)

Fiscal year beginning: 1 January 1948—\$1,657.2 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Included in the Ministry of Communications' budget.

<sup>5</sup> Included in army budget.

<sup>6</sup> Includes Gendarmerie 870.9 million francs; Congo Force Publique (From Ministry of Colonies budget) 370 million francs.

<sup>7</sup> For Gendarmerie.

<sup>8</sup> Includes part of navy budget, exact amount unknown.

<sup>9</sup> Based on 243.9 billion francs national income in 1948 and estimate of 255 billion francs national income in 1949.

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TABLE 4.

BRAZIL

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of cruzeiros)	Eqv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of cruzeiros)	Eqv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	2,827.5	151.0	14.6		2,452.5	131.0	16.8	
Navy	1,428.1	76.3	7.4		1,155.4	61.7	7.9	
Air	1,480.8	79.1	7.6		1,298.1	69.3	8.9	
Other Military Expenditures <sup>4</sup>	2.9	.2	.01		2.9	.2	.02	
Total <sup>5</sup>	5,739.3	306.6	29.61		4,908.9	262.2	33.62	

<sup>1</sup> Conversion rate: 18.72 cruzeiros=\$1 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 Jan 1949—\$1,034.7 million (budgeted)

Fiscal year beginning: 1 Jan. 1948—\$779.7 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Includes Joint General Staff and National Security Council

<sup>5</sup> No acceptable figures on Brazil's national income later than 1944.

<sup>6</sup> Quasi-military forces not included.

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TABLE 5.  
BULGARIA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of leva)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units (millions of leva)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army								
Navy								
Air								
Other Military Expenditures <sup>4</sup>								
Total <sup>5</sup>	11,904 <sup>6</sup>		7.8		9,995 <sup>7</sup>		8.3	

<sup>1</sup>A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated leva. A conversion rate which reflects the actual purchasing power of the leva cannot readily be determined.

<sup>2</sup>Total National Government Expenditures (Includes state investments, and expenditures for national and local governments, and state enterprises. While reparations deliveries are not mentioned as such in the budget, it is believed that they represent a part of total governmental expenditures):

Fiscal year beginning: 1 January 1949—151,981 million leva (budgeted)

Fiscal year beginning: 1 January 1948—121,000 million leva (budgeted)

<sup>3</sup>Not available.

<sup>4</sup>Certain allocations to the Ministries of Interior, Construction & Roads, and Communications, a substantial portion of which is for "security" organs, amounted to 12,517 million leva in 1949 and 5,002 million leva in 1948. These allocations are not regarded in this report as military expenditures because breakdown is not available.

<sup>5</sup>Distribution not available; chiefly army. Services rendered by other Ministries to the armed forces are not fully reflected in defense budgets.

<sup>6</sup>It is probable that additional amounts will be made available to the armed forces before the end of 1949.

<sup>7</sup>Budgeted. Does not include supplementary funds allocated to Ministry of Defence which are estimated to bring total military expenditures for 1948 to approximately the same level as shown in budget for 1949.

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TABLE 6.  
CANADA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units (millions of Canadian \$)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of Canadian \$)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	147.7	146.2	6.7		101.2	100.8	4.6	.8
Navy	82.1	81.8	3.7		55.2	54.8	2.5	.4
Air	169.3	168.6	7.6		100.9	100.2	4.6	.8
Defence Research <sup>4</sup>	21.1	21.0	.9		19.7	19.6	.9	.1
Other Military								
Expenditures <sup>4</sup>	2.5	2.5	.1		2.0	2.0	.1	.02
Total	422.7 <sup>5</sup>	420.1	19.0		279.0	277.4	12.7	2.12

<sup>1</sup> Conversion rate: Can\$1.005=US\$1.00 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$2,206 million (budgeted)

Fiscal year beginning: 1 April 1948—\$2,182 million (actual)

<sup>3</sup> Actual

<sup>4</sup> Defence Research is fourth service in Department of National Defence, on same level as other three services.

<sup>5</sup> This amount represents Defence Department overhead, grants to colleges, military associations, etc.

<sup>6</sup> Includes Can\$62,500,000 not to be voted as part of budget estimate of Can\$375,000,000 but available to services as commitment authority. Budget will not be debated and voted upon until a new Parliament is convened late this summer or early in the fall.

<sup>7</sup> Not available.

<sup>8</sup> Based on national income of Can\$12,700 million for calendar year 1948.

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TABLE 7.

## CHILE

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949 <sup>a</sup>				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948 <sup>b</sup>			
	Expenditures in Na- tional Currency Units (millions of pesos)	Equiv. in US Dollars <sup>c</sup> (millions)	% of Total National Govt. Expend. <sup>d</sup>	% of National In- come <sup>e</sup>	Expenditures in Na- tional Currency Units <sup>f</sup> (millions of pesos)	Equiv. in US Dollars <sup>c</sup> (millions)	% of Total National Govt. Expend. <sup>d</sup>	% of National In- come <sup>e</sup>
Army	1,110.0	35.7	9.9		989.2	31.8	9.4	
Navy	877.3	28.2	7.8		813.2	26.1	7.8	
Air	359.6	11.6	3.2		332.8	10.7	3.2	
Other Military Expenditures <sup>g</sup>								
Total	2,346.9	75.5	20.9		2,135.2	68.6	20.4	

<sup>a</sup> Conversion rate: 31.10 pesos=\$1 (Official Selling Rate)<sup>b</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$362.0 million (budgeted)

Fiscal year beginning: 1 January 1948—\$336.1 million (budgeted)

<sup>c</sup> Budgeted.<sup>d</sup> Recommended 31 August 1948. Breakdown not available for budget as approved by Congress 29 Dec. 1948.<sup>e</sup> As approved by Congress, 31 December 1947. Additions to regular budget include 50,000,000 pesos for Armed Forces housing and bonus of 1 month's salary for Armed Forces.<sup>f</sup> Not available.<sup>g</sup> The Carabineros, a semi-military organization, are under the administration of the Department of Interior and budget figures are not available.

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TABLE 8.  
CZECHOSLOVAKIA

MILITARY BUDGET EXPENDITURES <sup>a</sup>	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units <sup>b</sup> (millions of crowns)	Equiv. in US Dollars <sup>c</sup> (millions)	% of Total National Govt. Expend. <sup>d</sup>	% of National In- come <sup>e</sup>	Expenditures in Na- tional Currency Units <sup>b</sup> (millions of crowns)	Equiv. in US Dollars <sup>c</sup> (millions)	% of Total National Govt. Expend. <sup>d</sup>	% of National In- come <sup>e</sup>
Army					6,872.0		10.2	3.2
Navy					....		...	..
Air					395.0		0.6	0.2
Other Military Expenditures <sup>f</sup>								
Total	8,359.0		9.4	3.6	7,267.0		10.8	3.4

<sup>a</sup> A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated crown. A conversion rate which reflects the actual purchasing power of the crown cannot readily be determined.

<sup>b</sup> Total National Government Expenditures (Includes state investments, and all expenditures for national and local governments, and state enterprises):

Fiscal year beginning: 1 January 1949—89,277 million crowns (budgeted)

Fiscal year beginning: 1 January 1948—67,056 million crowns (budgeted)

<sup>c</sup> Budgeted.

<sup>d</sup> Services rendered by other Ministries to the Armed Forces are not fully reflected in the defense budget.

<sup>e</sup> Distribution not available.

<sup>f</sup> Based on estimated national income of 233 billion crowns in 1949 and 213 billion crowns in 1948.

<sup>g</sup> Allocations to the Ministry of Interior, a substantial portion of which is for the National Security Corps (a militarized police force), amounted to 6,758 million crowns in 1949 and 5,723 million crowns in 1948. These allocations are not regarded in this report as military expenditures because breakdown is not available.

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TABLE 9.  
DENMARK

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units (millions of kroner)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of kroner)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>
Army	223	46.4	10.8		227.1	47.3	12.5	1.4
Navy	81	16.8	3.9		81.5	17.0	4.5	5
Air								
Other Military Expenditures								
Total	304	63.2	14.7		308.6	64.3	17.0	1.9

<sup>1</sup> Conversion rate: 4.81 kroner=\$1 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$428 million (budgeted)

Fiscal year beginning: 1 April 1948—\$377 million (actual)

<sup>3</sup> Actual.

<sup>4</sup> Not available.

<sup>5</sup> National income for 1948—\$3,289 million.

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TABLE 10.

. EGYPT

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 21 MARCH 1948				IMMEDIATELY PRECEDING FISCAL YEAR * BEGINNING:			
	Expenditures in Na- tional Currency Units (millions of £E)	Eqv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units (millions of £E)	Eqv. in US Dollars (millions)	% of Total National Govt. Expend.	% of National Income
Army	42.0	173.3	22.9					
Navy	.8	3.3	.4					
Air	3.0	12.4	1.7					
Other Military Expenditures <sup>4</sup>	2.0	8.3	1.1					
Total	47.8	197.3	26.1 <sup>5</sup>					

<sup>1</sup> Conversion rate: 1 Egyptian £=\$4.127 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 21 March 1948—\$755.8 million (budgeted).

<sup>3</sup> Available information covers 10 months' period ended 20 March 1948 and therefore is not comparable with most recent budget.

<sup>4</sup> Not available.

<sup>5</sup> Includes expenditures for Royal Frontier Corps, Coast Guard, and Territorial Force.

<sup>6</sup> This percentage is based on budgeted, rather than actual, total government expenditures. If expenditures from reserves over and above the budget were considered, this percentage would be approximately 21.5%.

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TABLE 11.  
FINLAND

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of Fmk)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of Fmk)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>
Army								
Navy								
Air								
Other Military Expenditures <sup>4</sup>								
Total <sup>4</sup>	4,011	4.1	0.9	3,009	4.2	0.9		

<sup>1</sup> A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated finnmk. A conversion rate which reflects the actual purchasing power of the finnmk cannot readily be determined.

<sup>2</sup> Total National Government Expenditures (Includes state investments and expenditures for state enterprises. While reparations deliveries are not mentioned as such in the budget, it is believed that they represent a part of total governmental expenditures):

Fiscal year beginning: 1 January 1949—98,505.8 million finnmks (budgeted)

Fiscal year beginning: 1 January 1948—72,445.0 million finnmks (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Based on estimated national income of 437.5 billion finnmks in 1949 and 350.0 billion finnmks in 1948.

<sup>5</sup> Allocations to the Ministry of Interior, a portion of which is for "security" organs, amounted to 4,678 million finnmks in 1949 and 3,783 million finnmks in 1948. These allocations are not regarded in this report as military expenditures because breakdown is not available.

<sup>6</sup> Distribution not available; chiefly army. Services rendered by other Ministries to the armed forces are not fully reflected in defense budgets.

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TABLE 12.  
FRANCE

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (billions of francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. on Cur- rent Account <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (billions of francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. on Cur- rent Account <sup>2</sup>	% of National Income <sup>3</sup>
Army	116	386.6	8.7		88.9	296.3	8.9	1.6
Navy	59	196.7	4.4		45.1	150.3	4.5	.8
Air	71	236.7	5.3		54.5	181.7	5.5	1.0
Other Military Expenditures <sup>5</sup>	139	463.3	10.4		113.1	377.0	11.3	2.1
Total	385 <sup>6</sup>	1,283.3 <sup>7</sup>	28.8 (19.9) <sup>8</sup>		301.6 <sup>9</sup>	1,005.3	30.2 (18.5) <sup>8</sup>	5.5

<sup>1</sup> Conversion rate: 300 francs=\$1

<sup>2</sup> Total National Government Expenditures (in US Dollars)

	Current	Modernization & Reconstruction
Fiscal year beginning: 1 January 1949 (est.)	\$4,447.0 million	\$2,000.0 million
Fiscal year beginning: 1 January 1948 (budgeted)	\$3,329.0 million	\$2,103.0 million

<sup>3</sup> Budgeted. Based on law of 27 August 1948 setting military budget for 1948.

<sup>4</sup> Not available.

<sup>5</sup> Based on Embassy, Paris, estimate for 1948: 5,500 billion francs.

<sup>6</sup> Represents combined expenditures for Overseas France and Common Services. For 1949 it is estimated that 76 billion out of a possible 107 billion francs total for Overseas France will be for operations in Indochina alone.

<sup>7</sup> Military budget for 1949 as presented to Assembly for debate on 9 June 1949.

<sup>8</sup> It is estimated that additional expenditures authorized in 1948 will bring actual military total to 368 billion francs.

<sup>9</sup> Represents percentage of sum of total current budget and expenses for modernization and reconstruction.

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TABLE 13.

GREECE

MILITARY BUDGET EXPENDITURES*	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JULY 1948				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1947*			
	Expenditures in Na- tional Currency Units (billions of drachmas)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (billions of drachmas)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	680	68.0	17.3					
Navy	75	7.5	1.9					
Air	81	8.1	2.1					
Other Military Expenditures	1,176*	117.6	29.8					
Total	2,012	201.2	51.1		1,324*	179.0	39.5	

\* Conversion rate: Fiscal year 1 July 1948-30 June 1949—10,000 drachmas=\$1 (approx.)  
15 Months 1 April 1947-30 June 1948—7,397 drachmas=\$1 (average).

\* Total National Government Expenditures (in US Dollars)

Fiscal year: 1 July 1948-30 June 1949 \$394.0 million (budgeted)

15 Months: 1 April 1947-30 June 1948 \$452.9 million (approx.)

\* Budgeted.

\* Does not include US military aid.

\* Includes 202 (billion drachmas) for Gendarmerie, 805 for refugee relief and 169 for family allowances and miscellaneous.

\* Covers 15-month period 1 April 1947-30 June 1948. Greek fiscal year changed to begin 1 July.

\* Not available.

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TABLE 14.  
HUNGARY

MILITARY BUDGET EXPENDITURES*	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 AUGUST 1947*			
	Expenditures in Na- tional Currency Units (millions of forints)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of forints)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army								
Navy								
Air								
Other Military Expenditures <sup>5</sup>								
Total	1,153.0*		10.0	5.1				
	347.0*		3.0	1.6				
	1,500.0		13.0	6.7	150.5		2.0	0.8

\*A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated forint. A conversion rate which reflects the actual purchasing power of the forint cannot readily be determined.

<sup>2</sup>Total National Government Expenditures (Includes state investments, and all expenditures for national and local governments, and state enterprises. While reparations deliveries are not mentioned as such in the budget, it is believed that they represent a part of total governmental expenditures.)

Fiscal year beginning: 1 January 1949—11,552.7 million forints (budgeted)

Fiscal year beginning: 1 August 1947—7,553.0 million forints (budgeted)

<sup>3</sup>Budgeted. Additional allocations are believed concealed under categories other than military.

<sup>4</sup>Distribution not available; chiefly army. Services rendered by other Ministries to the Armed Forces are not fully reflected in defense budgets.

<sup>5</sup>As announced by Hungarian Government.

<sup>6</sup>Additional estimated concealed under categories other than military.

<sup>7</sup>Allocations to the Ministry of Interior, a substantial portion of which is for "security" organs, amounted to 450.4 million forints in 1947/48 and 678.7 million forints in 1949. These allocations are not regarded in this report as military expenditures because breakdown is not available.

<sup>8</sup>Based on estimated national income of 22,400 million forints in 1949 and 19,029 million forints in 1948.

<sup>9</sup>Last full preceding fiscal year. Fiscal year changed to calendar year beginning 1 January 1949; a special budget covered the period from 1 August to 31 December 1948. Total actual spending for fiscal year beginning 1 August 1947 reported at 9,108 million forints, but since proportion for military not shown, the planned budget figures (total 7,553 million forints) are used for this study.

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TABLE 15.

## INDIA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units (millions of rupees)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of rupees)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	1,228.8	370.3	21.8		821.3	247.5	9.3	
Navy	82.5	24.9	1.5		47.1	14.2	0.5	
Air	128.4	38.7	2.3		93.3	28.1	1.1	
Other Military Expenditures	32.0 <sup>5</sup>	9.6 <sup>5</sup>	.5		1,385.7 <sup>6</sup>	417.6 <sup>6</sup>	15.7	
Total	1,471.7	443.5	26.1		2,347.4	707.4	26.6	

<sup>1</sup> Conversion rate: 3.318 rupees=\$1 (Selling rate)<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$1,698.0 million (budgeted)

Fiscal year beginning: 1 April 1948—\$2,657.0 million (actual)

<sup>3</sup> Actual.<sup>4</sup> Not available.<sup>5</sup> Includes only expenses charged to capital outlay. Expenses for supplies and stores are included in the budget for each service.<sup>6</sup> Includes expenses charged to capital outlay and Rs. 469.1 million (\$141.4 million) for supplies and stores.

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TABLE 16.

IRELAND

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units <sup>1</sup> (millions of Irish £)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>1</sup> (millions of Irish £)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army					3.454 <sup>4</sup>	13.911	4.8	
Navy					.147	.592	2	
Air					.073	.294	1	
Other Military Expenditures								
Total	3.705	14.922	5.1		3.674	14.797	5.0	

<sup>1</sup> Conversion rate: Irish £=\$4.0275 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$294.5 million (estimated)

Fiscal year beginning: 1 April 1948—\$289.7 million (actual)

<sup>3</sup> Actual.

<sup>4</sup> It is not yet known in what proportions army, navy and air share in the military budget for the fiscal year beginning 1 April 1949. The proportions will probably be close to those of the preceding fiscal year which were 94% for army, 4% for navy, and 2% for air.

<sup>5</sup> Breakdown of total military expenditures is based on percentages allocated in budget to army, navy, and air for year beginning 1 April 1948.

<sup>6</sup> Army expenditure contains some items for Air Corps, which cannot be segregated.

<sup>7</sup> National income data not available since 1944.

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TABLE 17.

## ITALY

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET <sup>1</sup> FISCAL YEAR BEGINNING: 1 JULY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JULY 1948			
	Expenditures in Na- tional Currency Units (millions of lire)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>1</sup> (millions of lire)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	142,256.5	247.4	9.7	2.4	129,897.2	225.9	8.5	2.4
Navy	60,029.0	104.4	4.1	1.0	54,516.3	94.8	3.5	1.0
Air	53,536.4	93.1	3.6	.9	35,407.5	61.6	2.3	.6
Other Military Expenditures	45,506.3 <sup>4</sup>	79.1	3.1	.8	42,460.2 <sup>5</sup>	73.8	2.8	.8
Total	301,328.2	524.0	20.5	5.1	262,281.2	456.1	17.1	4.8

<sup>1</sup> Conversion rate: 575 lire=\$1<sup>2</sup> Total National Government Expenditures (in US Dollars):

Fiscal year beginning: 1 July 1949—\$2,556.5 million (budgeted)

Fiscal year beginning: 1 July 1948—\$2,660.7 million (actual)

<sup>3</sup> Actual.<sup>4</sup> Total defense expenditures taken from recent data on proposed budget, subject to Parliamentary approval.<sup>5</sup> Based on national income (in US Dollars):

Year beginning 1 July 1949 (est.)—\$10,130 million.

Year beginning 1 July 1948 (est.)—\$ 9,420 million.

<sup>6</sup> Of which, 45,399.0 lire for Carabinieri, 107.3 lire for general purposes.<sup>7</sup> Of which, 42,367.7 lire for Carabinieri, 92.5 lire for general purposes.~~SECRET~~

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TABLE 18.  
LUXEMBOURG

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of Luxem- bourg francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of Luxem- bourg francs)	Equiv. in US Dollars <sup>5</sup> (millions)	% of Total National Govt. Expend. <sup>6</sup>	% of National In- come
Army					50.0	1.1	15	0.6
Navy	None				None			
Air	None				None			
Other Military Expenditures					44.0 <sup>7</sup>	1.0	13	0.4
Total	124.2 <sup>8</sup>	2.8	3.3		94.0	2.1	2.8	1.0

<sup>1</sup> Conversion rate: 43.96 Luxembourg francs=\$1. (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$8437 million (budgeted)

Fiscal year beginning: 1 January 1948—\$76.21 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Provisional. No separate figure for army. Includes army, gendarmerie, and police.

<sup>5</sup> Not available.

<sup>6</sup> Includes: Gendarmerie—fr. 30 million and State Police—fr. 14 million.

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TABLE 19.  
MEXICO

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of pesos)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of pesos)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	262.0	32.7	10.3		240.0	42.1	10.4	
Navy <sup>4</sup>	69.3	8.7	2.7		70.5	12.4	3.1	
Air <sup>5</sup>								
Other Military Expenditures <sup>6</sup>	18.2	2.3	0.7		17.3	3.0	0.8	
Total	349.5	43.7	13.7		327.8	57.5	14.2	

<sup>1</sup> Conversion rate:

1949—8.00 pesos=\$1 (Approximate average selling rate)

1948— $\left\{ \begin{array}{l} 7 \text{ mos. at } 4.86 \text{ pesos per dollar} \\ 5 \text{ mos. at } 6.88 \text{ pesos per dollar} \end{array} \right\}$  or 5.70 average.

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$318.9 million (budgeted)

Fiscal year beginning: 1 January 1948—\$404.0 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Includes small air arm. 34.7 million pesos of the 1948 budget and 30.4 million pesos of the 1949 budget were designated for port works.

<sup>5</sup> Included in army.

<sup>6</sup> Military Industry (Some military education may be included under Ministry of Education budget. No figures available.)

<sup>7</sup> Not available.

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TABLE 20.  
NETHERLANDS

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of guilders)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of guilders)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	452.0	169.9	11.4	3.2	339.3	127.6	7.3	2.5
Navy	445.0	167.3	11.2	3.2	277.6	104.4	6.0	2.1
Air	88.0	33.1	2.2	0.6	46.2	17.4	1.0	0.3
Other Military Expenditures <sup>4</sup>								
Total	985.0 <sup>4</sup>	370.3 <sup>4</sup>	24.8	7.0	664.0	260.9	15.1	5.2

<sup>1</sup> Conversion rate: 2.66 guilders=\$1. (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$1,490.0 million (budgeted)

Fiscal year beginning: 1 January 1948—\$1,726.5 million (budgeted)

<sup>3</sup> Budgeted. Breakdown into army, air, and navy expenditures for 1948 is not believed to be entirely accurate and does not check with the total military expenditures for 1948, but is given here as an indication of the proportionate expenditures for the three services.

<sup>4</sup> The expense of the Royal Indies Army in Indonesia is not included in this budget, because it is supported by the Dutch administration in Indonesia and, probably to a very small extent, by the Ministry of Overseas Territories. The Netherlands naval, army and air force expenses in Indonesia are also partially met by the Dutch Indonesian budget. The fact that Indonesia has a large deficit with the Netherlands, which the latter covers by loans, may be attributed largely to Indonesian expenditures for support of Dutch military forces. Indirectly, the burden is borne by the Dutch Government.

<sup>5</sup> This figure does not include expenditures for the expansion of the ground forces in connection with the Five-Power Brussels Pact, for which an additional appropriation will be made.

<sup>6</sup> Based on 1949 national income of 13.94 billion guilders and 1948 national income of 13.42 billion guilders.

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TABLE 21.  
NEW ZEALAND

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1948				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1947			
	Expenditures in Na- tional Currency Units (millions of £ NZ)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of £ NZ)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>
Army	3.1	11.3	2.7		3.47	11.1	3.0	.8
Navy	2.5	9.1	2.2		1.7	5.5	1.5	.4
Air	6.1 <sup>4</sup>	22.3 <sup>4</sup>	5.3		4.2 <sup>4</sup>	13.5 <sup>4</sup>	3.5	1.0
Other Military Expenditures								
Total	11.7	42.7	10.2		9.37	30.0	8.0	2.2

<sup>1</sup> Conversion rate:

Year beginning 1 April 1948, 1 New Zealand £=\$3.652 (Yearly average of Official Selling Rates)

Year beginning 1 April 1947, 1 New Zealand £=\$3.207 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1948—419.6 millions (budgeted)

Fiscal year beginning: 1 April 1947—375.5 millions (actual)

<sup>3</sup> Actual<sup>4</sup> Includes £ NZ 1.47 million estimated expenditures for civil aviation.<sup>4</sup> Includes £ NZ 0.54 million actual expenditures for civil aviation.<sup>4</sup> Not available.<sup>3</sup> 1947 National income—£ NZ 422 million.

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TABLE 22.

NORWAY

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JULY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JULY 1948			
	Expenditures in Na- tional Currency Units (millions of kroner)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of kroner)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	112.4	22.7	4.5		102.1	20.7	3.7	1.2
Navy <sup>5</sup>	61.1	12.2	2.4		47.7	9.0	1.7	.5
Air <sup>6</sup>	59.6	11.9	2.3		40.6	8.3	1.5	.5
Other Military Expenditures	185.0 <sup>4</sup>	37.2	7.3		77.6	15.7	2.8	.9
Total	418.1	84.0	16.5		268.0	53.7	9.7	3.1

<sup>1</sup> Conversion rate: 4.97 kroner=\$1 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 July 1949—\$509 million (budgeted)

Fiscal year beginning: 1 July 1948—\$553 million (actual)

<sup>3</sup> Actual.

<sup>4</sup> Includes 84 million kroner extraordinary defense appropriation authorized for expenditure during period 1 January 1949–30 June 1950. Also a 75 million kroner "preparedness expense" not included in the regular defense budget.

<sup>5</sup> Not available.

<sup>6</sup> National income for 1948=8,750 million kroner.

<sup>7</sup> Including Coast Artillery.

<sup>8</sup> Including AA Artillery.

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TABLE 23.  
PAKISTAN

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units (millions of rupees)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of rupees)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>
Army								
Navy					15.9	4.8		
Air								
Other Military								
Expenditures								
Total	731.0 <sup>4</sup>	220.4 <sup>4</sup>	48.1		601.4 <sup>4</sup>	181.4 <sup>4</sup>	58.4	

<sup>1</sup> Conversion rate: 3.316 rupees=\$1. (Approx.)<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$458.1 million (budgeted)

Fiscal year beginning: 1 April 1948—\$310.6 million (budgeted)

<sup>3</sup> Budgeted.<sup>4</sup> Includes Rs. 271.3 million (\$81.8 million) charged to capital outlay.<sup>5</sup> Includes Rs. 211.1 million (\$63.7 million) charged to capital outlay.<sup>6</sup> Not available.

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TABLE 24.

POLAND

MILITARY BUDGET EXPENDITURES <sup>1</sup>	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (billions of zlotys)	Equiv. in US Dollars <sup>2</sup> (millions)	% of Total National Govt. Expend. <sup>3</sup>	% of National Income <sup>4</sup>	Expenditures in Na- tional Currency Units <sup>5</sup> (billions of zlotys)	Equiv. in US Dollars <sup>2</sup> (millions)	% of Total National Govt. Expend. <sup>3</sup>	% of National Income <sup>4</sup>
Army	56.7 <sup>6</sup>		9.3	2.7	25.4 <sup>6</sup>		5.4	1.5
Navy	3.8		0.6	0.2	1.9		0.4	0.1
Air <sup>7</sup>								
Other Military Expenditures <sup>8</sup>					6.8		1.4 <sup>9</sup>	0.4
Total	60.5		9.9	2.9	34.1		7.2	2.0

<sup>1</sup> A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated zloty. A conversion rate which reflects the actual purchasing power of the zloty cannot readily be determined.

<sup>2</sup> Total National Government Expenditures (Includes state investments, and all expenditures for national and local governments, and state enterprises):

Fiscal year beginning: 1 January 1949—612.0 billion zlotys (budgeted)

Fiscal year beginning: 1 January 1948—471.4 billion zlotys (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Services rendered by other Ministries to the Armed Forces are not fully reflected in the defense budget.

<sup>5</sup> Appropriations to the air force are believed concealed under other military services or, in part, under civil aviation within the Ministry of Transportation.

<sup>6</sup> Includes 4.6 billion zlotys for frontier guards and 7.8 billion zlotys for Internal Security Corps, both of which were announced as part of the defense budget.

<sup>7</sup> Includes 5 billion zlotys for Internal Security Corps, announced as part of the defense budget.

<sup>8</sup> Allocations to the Ministry of Public Security, a substantial portion of which is for "security" organs, amounted to 36.9 billion zlotys (including 11.6 billion for militia and 5.9 billion for prisons) in 1949, and 23 billion zlotys (including 4.4 billion for militia) in 1948. These allocations are not regarded in this report as military expenditures because complete breakdown is not available.

<sup>9</sup> Based on estimated national income of 2,070 billion zlotys in 1949 and 1,700 billion zlotys in 1948.

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TABLE 25.  
PORTUGAL

MILITARY BUDGET EXPENDITURES*	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1948				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1947			
	Expenditures in Na- tional Currency Units (millions of escudos)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of escudos)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National Income <sup>3</sup>
Army	753	30.0	13.3		811	32.4	15.5	
Navy	455	18.2	8.1		411	16.4	7.8	
Air <sup>5</sup>	53	2.1	0.9		118	4.7	2.2	
Other Military Expenditures <sup>6</sup>								
Total	1,261	50.3	22.3		1,340	53.5	25.5	

<sup>1</sup> Conversion rate: 25.065 escudos=\$1. (Selling rate—annual average).

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1948—\$225.4 million (budgeted)

Fiscal year beginning: 1 January 1947—\$209.7 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Military air appropriations included in army and navy allocations. No breakdown available.

<sup>5</sup> Not available.

<sup>6</sup> Does not include Colonial Troops (budgeted in Ministry of Colonies), Republican Guard (budgeted in Ministry of Interior), and Fiscal Guard (budgeted in Ministry of Finance), for which figures not available.

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TABLE 26.

RUMANIA

MILITARY BUDGET EXPENDITURES <sup>a</sup>	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY, 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: <sup>b</sup>			
	Expenditures in Na- tional Currency Units (millions of lei)	Equiv. in US Dollars <sup>c</sup> (millions)	% of Total National Govt. Expend. <sup>d</sup>	% of National In- come <sup>e</sup>	Expenditures in Na- tional Currency Units (millions of lei)	Equiv. in US Dollars <sup>c</sup> (millions)	% of Total National Govt. Expend. <sup>d</sup>	% of National In- come
Army								
Navy								
Air								
Other Military Expenditures								
Total <sup>f</sup>	18,798.1		9.7					

<sup>a</sup> A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated leu. A conversion rate which reflects the actual purchasing power of the leu cannot readily be determined.

<sup>b</sup> Total National Government Expenditures (Includes state investments, and expenditures for national and local governments, and state enterprises. While reparations deliveries are not mentioned as such in the budget, it is believed that they represent a part of total governmental expenditures):

Fiscal year beginning: 1 January 1949—192,961.0 million lei (budgeted)

Nine Months 1 April 1948-31 December 1948—152,186.5 million lei (actual)

<sup>c</sup> Expenditures for full year not available because of change in fiscal year to begin 1 January 1949. For nine months 1 April 1948-31 December 1948 total military expenditures (actual), as announced by the Rumanian Government, were equal to 14,501.0 million lei, equivalent to 9.5% of total national government expenditures for the same period.

<sup>d</sup> Distribution not available; chiefly army. Services rendered by other Ministries to the armed forces are not fully reflected in defense budgets. Allocations to the Ministry of Interior, a substantial portion of which is for "security" organs, amounted to 19,010.5 million lei in 1949 and 16,270.0 million lei in 1948 (nine months). These allocations are not regarded in this report as military expenditures because breakdown is not available.

<sup>e</sup> Not available.

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TABLE 27.

## SPAIN

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of pesetas)	Equiv. in US Dollars <sup>a</sup> (millions)	% of Total National Govt. Expend. <sup>a</sup>	% of National In- come <sup>a</sup>	Expenditures in Na- tional Currency Units <sup>a</sup> (millions of pesetas)	Equiv. in US Dollars <sup>a</sup> (millions)	% of Total National Govt. Expend. <sup>a</sup>	% of National In- come <sup>a</sup>
Army	3,160.9	281.7	18.8		3,029.1	270.0	19.9	
Navy	1,033.7	92.2	6.2		956.3	85.2	6.3	
Air (less field construction)	1,001.0	89.2	5.9		880.9	78.5	5.8	
Other Military Expenditures	2,279.1 <sup>b</sup>	203.1	13.6		2,000.8 <sup>b</sup>	178.3	13.2	
Total	7,474.7	666.2	44.5		6,867.1	612.0	45.1	

<sup>a</sup> Conversion rate: 11.22 pesetas=\$1 (Official Selling Rate)<sup>b</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 Jan. 1949—\$1,495.8 million (budgeted)

Fiscal year beginning: 1 Jan. 1948—\$1,354.4 million (budgeted)

<sup>c</sup> Budgeted.<sup>d</sup> Experience shows that the government's budget estimates are considerably less than actual expenditures (some 1,250 million pesetas less in 1948). Because of 40% pay increase for military and civilian personnel, 1949 budget expenditures will probably be larger than indicated.<sup>e</sup> Not available.<sup>f</sup> Includes: Expenditures in Morocco, and for Airfields, Civil Guard and security police forces, as well as "Old obligations (Army)"; excludes: "Pensions."~~RESTRICTED~~

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TABLE 28.

SWEDEN

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JULY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JULY 1948			
	Expenditures in Na- tional Currency Units (millions of kroner)	Eqv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in National Currency Units <sup>4</sup> (millions of kroner)	Eqv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	321.8	89.1	7.3		322.0	89.4	7.3	
Navy	172.2	48.9	3.9		147.3	40.9	3.3	
Air	234.6	65.0	5.3		241.0	66.9	5.4	
Other Military Expenditures <sup>4</sup>	54.2	15.1	1.3		48.4	13.5	1.1	
Total	782.8	217.1	17.8		758.7	210.7	17.1	

<sup>1</sup> Conversion rate: 3.60 Swedish kroner=\$1 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 July 1949—\$1,220 million (budgeted)

Fiscal year beginning: 1 July 1948—\$1,222 million (actual)

<sup>3</sup> Actual.

<sup>4</sup> Includes costs of Defense Staff, Central Administrative Authorities, and services contributed by other agencies for "Common Purposes of the Defense". Excludes "pensions".

<sup>5</sup> 1948 gross national product is estimated at 25.38 billion Kroner at 1948 prices. No appreciable change in gross national product is expected in 1949. Percent of national defense expenditures to gross national product follows:

	1949/50	1948/49
Army	1.27	1.27
Navy	.68	.58
Air	.93	.95
Other	.22	.19
Total	3.10	2.99

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TABLE 29.  
SWITZERLAND

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of Swiss francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of Swiss francs)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army					292.0	67.7	16	1.6
Navy	None				None			
Air					106.0 <sup>4</sup>	24.5	6	.6
Other Military Expenditures								
Total	415.2 <sup>4</sup>	96.2	29		398.0 <sup>4</sup>	92.2	22	2.2

<sup>1</sup> Conversion rate: 4.315 Swiss francs=\$1 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$330.0 million (budgeted)

Fiscal year beginning: 1 January 1948—\$414.1 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Provisional. No breakdown available.

<sup>5</sup> Including anti-aircraft defense.

<sup>6</sup> Excluding police.

<sup>7</sup> Not available.

<sup>8</sup> Based on estimate of 1948 national income—18 billion Swiss francs.

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TABLE 30.

TURKEY

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of Turkish lira)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of Turkish lira)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army <sup>4</sup>	462.0	163.3			476.9	168.5		
Navy <sup>4</sup>								
Air <sup>4</sup>								
Other Military Expenditures <sup>4</sup>	91.5	32.3			84.2	29.8		
Total	553.5	195.6	40.3		561.1	198.3	41.9	

<sup>1</sup> Conversion rate: 2.83 Turkish liras=\$1 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$484.7 million (budgeted)

Fiscal year beginning: 1 January 1948—\$473.2 million (budgeted)

<sup>3</sup> Budgeted.

<sup>4</sup> Turkish appropriations for army, navy and air force expenditures are made under a unified National Defense appropriation. No breakdown into the three service components is therefore available.

<sup>5</sup> Includes Gendarmerie, National Security Services, and Customs Guards. In part estimated.

<sup>6</sup> No reliable figures for Turkey's national income for the years since 1945 are available.

Note: The 1949 expenditures may be increased during the course of the year, as is usually the case, by extraordinary appropriations. No mention is made above for US military grants in aid for military purposes to Turkey during the past two years—\$100,000,000 and \$75,000,000 respectively.

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TABLE 31.

## UNION OF SOUTH AFRICA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units (millions of SA £)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>1</sup> (millions of SA £)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army <sup>4</sup>					6.4	25.7	4.7	.85
Navy <sup>4</sup>					.6	2.4	.4	.08
Air <sup>4</sup>					2.8	11.2	2.1	.37
Other Military Expenditures								
Total	9.8 <sup>4</sup>	39.3 <sup>4</sup>	7.0		9.8	39.3	7.2	1.3

<sup>1</sup> Conversion rate: 1 South African £=\$4.0075 (Official Selling Rate)<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$561.8 million (budgeted)

Fiscal year beginning: 1 April 1948—\$544.2 million (actual)

<sup>3</sup> Actual.<sup>4</sup> Estimated.<sup>5</sup> Military budget expenditures for fiscal year beginning 1 April 1949 reported to be same as for fiscal year beginning 1 April 1948.<sup>6</sup> Not available.<sup>7</sup> Based on \$3 billions—estimated 1948 national income.

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TABLE 32.

UNITED KINGDOM

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 APRIL 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 APRIL 1948			
	Expenditures in Na- tional Currency Units (millions of £)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units <sup>4</sup> (millions of £)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army	304.7	1,227.2	8.0	3.0	346.7	1,396.3	9.3	3.6
Navy	189.3	762.4	4.9	1.9	162.7	655.3	4.4	1.7
Air	207.4	835.3	5.4	2.1	186.9	752.7	5.0	1.9
Other Military Expenditures <sup>5</sup>	66.4 <sup>6</sup>	267.4	1.7	.7	65.0 <sup>6</sup>	261.8	1.7	.7
Total	767.8 <sup>6</sup>	3,092.3	20.0	7.7	761.3 <sup>6</sup>	3,066.1	20.4	7.9

<sup>1</sup> Conversion rate: 1 £=\$4.0275 (Official Selling Rate)

<sup>2</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 April 1949—\$15,409.2 million (budgeted)

Fiscal year beginning: 1 April 1948—\$14,986.3 million (actual)

<sup>3</sup> Actual. Includes deficiency appropriations for army, navy, and air.

<sup>4</sup> Cost of Atomic Energy Research and Development for military purposes not included and not known.

<sup>5</sup> Divided as follows:

	(millions)	
	1949	1948
Ministry of Supply	£ 57.75	56.30
Civil Defense	3.85	5.17
Transjordan Army Subsidy	3.50	2.50
Ministry of Defense	.71	.55
Ministry of Labor (for conscription)	.60	.47

<sup>6</sup> Based on 1949 national income estimate of £ 10,000 million.

<sup>7</sup> Based on 1948 national income of £ 9,675 million.

<sup>8</sup> Includes war terminal charges of £ 13.26 million and non-effective charges (mostly pensions) of £ 33.4 million.

<sup>9</sup> Includes war terminal charges of £ 60.51 million and some non-effective charges (mostly pensions) for which breakdown not available.

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TABLE 33.

## USSR

MILITARY BUDGET EXPENDITURES <sup>a</sup>	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (billions of rubles)	Equiv. in US Dollars <sup>b</sup> (billions)	% of Total National Govt. Expend. <sup>c</sup>	% of National In- come <sup>d</sup>	Expenditures <sup>e</sup> in Na- tional Currency Units (billions of rubles)	Equiv. in US Dollars <sup>b</sup> (billions)	% of Total National Govt. Expend. <sup>c</sup>	% of National In- come <sup>d</sup>
Announced expenditures	79	7.9	19.0		66.3	6.6	17.9	
Concealed items:								
New construction for industrial support of armed forces	15	1.5	4.0		10	1.0	2.7	
Material support provided by various ministries	20	2.0	4.8		15	1.5	4.1	
From Education and Health appro- priations including scientific re- search	22	2.2	5.3		12	1.2	3.2	
Security organs performing military and para-military functions, in- cluding military intelligence	17	1.7	4.1		17	1.7	4.6	
Strategic stockpiling	12	1.2	2.9		5	.5	1.4	
Total	165	16.5	40.1	28.9	125.3	12.5	33.9	23.2

<sup>a</sup> Conversion rate: 10 rubles=\$1. Conversion of the budget figures into US dollars is difficult since the ruble is not convertible into any foreign exchange on the established international money markets. The conversion rate of 10 rubles to \$1 reflects more realistically the purchasing power parity of the Soviet budgetary ruble than the official rate of 5.3 rubles per US dollar, established in 1936, which is clearly an overvaluation. It is estimated that the actual value of the ruble is 4 cents in terms of consumer goods to the public while the "budgetary" or industrial ruble is probably not more than 10 cents. This differentiation in the purchasing power may be explained by the Soviet system of taxation which is designed to reduce the public consumption to a minimum in order to divert maximum efforts toward capital goods production. A privilege granted by the USSR to diplomatic personnel to acquire rubles at the rate of 8 to a dollar is intended to compensate partly for the official overvaluation of the ruble.

<sup>b</sup> Total National Government Expenditures (in US Dollars)

Fiscal year beginning: 1 January 1949—\$41,540 million (budgeted)

Fiscal year beginning: 1 January 1948—\$36,880 million (actual)

<sup>c</sup> Estimated.

<sup>d</sup> In addition to expenditures listed, it is essential to consider the following:

- (1) Benefits accruing to Soviet military potential from Satellite production for USSR military account, reparations of military nature, and requisitions for maintenance of occupation forces;
- (2) Low per capita cost of maintenance of Soviet armed forces, as contrasted by Western standards, permitting utilization of larger proportion of military funds for armaments and supplies;
- (3) Breakdown of appropriations for various services not available.

<sup>e</sup> Estimated at 570 billion current rubles in 1949, 540 billion current rubles in 1948.

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TABLE 34.  
YUGOSLAVIA

MILITARY BUDGET EXPENDITURES	MOST RECENT BUDGET FISCAL YEAR BEGINNING: 1 JANUARY 1949				IMMEDIATELY PRECEDING FISCAL YEAR BEGINNING: 1 JANUARY 1948			
	Expenditures in Na- tional Currency Units (millions of dinars)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>	Expenditures in Na- tional Currency Units (millions of dinars)	Equiv. in US Dollars <sup>1</sup> (millions)	% of Total National Govt. Expend. <sup>2</sup>	% of National In- come <sup>3</sup>
Army								
Navy								
Air								
Other Military Expenditures <sup>4</sup>								
Total <sup>5</sup>	25,000	15.4	10.3	16,500	13.2	8.6		

<sup>1</sup>A valid dollar equivalent has not been established because of the substantial disparity between the official conversion rate and the actual purchasing power of the depreciated dinar. A conversion rate which reflects the actual purchasing power of the dinar cannot readily be determined.

<sup>2</sup>Total National Government Expenditures (Includes state investments, and all expenditures for national and local governments, and state enterprises):

Fiscal year beginning: 1 January 1949—162,585.3 million dinars (budgeted)

Fiscal year beginning: 1 January 1948—126,290.3 million dinars (budgeted)

<sup>3</sup>Budgeted.

<sup>4</sup>Allocations to "State Administration", a substantial portion of which is for "security" organs, amounted to 14,800.0 million dinars in 1949 and 13,100.0 million dinars in 1948. These allocations are not regarded in this report as military expenditures because breakdown is not available.

<sup>5</sup>Distribution not available; chiefly army. Services rendered by other Ministries to the armed forces are not fully reflected in defense budgets.

<sup>6</sup>Based on estimated national income of 242 billion dinars in 1949 and 191.9 billion dinars in 1948.

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